



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Equipment Lease Agreement and Authorizing City Manager to Execute Agreement with Ray Morgan Company, of Stockton, for Large Format Copier (\$23,850)

MEETING DATE: March 7, 2007

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution approving an equipment lease agreement and authorizing the City Manager to execute the agreement with Ray Morgan Company for a large format copier.

BACKGROUND INFORMATION: The existing large format copier serving the needs of the Public Works and Community Development Departments has reached the end of its 10-year useful life and replacements parts have become difficult to obtain. The machine needs to be replaced.

The existing machine was purchased at a cost of \$15,000. The cost for the maintenance agreement, paper and toner supplies for this machine amount to approximately \$171 per month. On average, the machine processes 1,000 square feet of copied material per month.

A replacement machine providing similar utility but improved print speed and paper handling options would cost in the neighborhood of \$21,000 plus tax. A lease option was researched and determined to be a cost-effective alternative to purchase. Under the terms of the recommended 60-month lease, the machine would be returned to the supplier at no cost to the City. At that time, a lease for a new machine could be bid and selected.

Three bids were solicited for the lease of a KIP 3000 series large format copier. The successful low bidder was Ray Morgan Company, of Stockton, with a bid of \$398 per month for a lease period of 60 months. This includes the lease of the machine and maintenance. The cost of paper and toner is estimated to be \$57 per month for 1,000 square feet of copied material per month.

The three informal bids received are summarized below.

Bidder	Location	Bid
Ray Morgan Company	Stockton	\$398
Stockton Blue	Stockton	\$400
California Survey and Drafting	Modesto	\$405

FISCAL IMPACT: The estimated cost to purchase a new machine and maintenance agreement is \$23,685 and the cost of the lease which includes maintenance is \$23,850. An advantage of the lease program is that the lease payments are extended over a 60-month period.

FUNDING AVAILABLE: Funding for the lease would come from the operating accounts of Public Works (2/3) and Community Development (1/3).

[Signature]
For Randy Hatch
Community Development Director

[Signature]
Kirk Evans, Budget Manager

[Signature]
Steve Mann
Information Systems Div. Mgr.

[Signature]
Richard C. Prima, Jr.
Public Works Director

Prepared by F. Wally Sandelin, City Engineer/Deputy Public Works Director
RCP/FWS/pmf

APPROVED: *[Signature]*
Blair King, City Manager

RESOLUTION NO. 2007-36

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE EQUIPMENT LEASE AGREEMENT FOR REPLACEMENT
OF A LARGE FORMAT COPIER FOR THE PUBLIC WORKS
AND COMMUNITY DEVELOPMENT DEPARTMENTS

WHEREAS, the existing large format copier serving the needs of the Public Works and Community Development Departments has reached the end of its ten-year useful life and replacements parts have become difficult to obtain; and

WHEREAS, staff researched a lease option and determined it to be a cost-effective alternative to purchase under the terms of a 60-month lease, after which time the machine would be returned to the supplier at no cost to the City; and

WHEREAS, three informal bids were solicited for the lease of a KIP 3000 large format copier with the successful low bidder being the Ray Morgan Company, of Stockton, with a bid of \$398 per month for a lease period of 60 months. This includes the lease of the machine and maintenance. The cost of paper and toner is estimated to be \$57 per month for 1,000 square feet of copied material per month; and

WHEREAS, the three informal bids received are summarized below:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
Ray Morgan Company	Stockton	\$398
Stockton Blue	Stockton	\$400
California Survey and Drafting	Modesto	\$405

WHEREAS, staff recommends that the City Council approve an equipment lease agreement with the Ray Morgan Company for a KIP 3000 large format copier for the Public Works and Community Development Departments.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the equipment lease agreement for a KIP 3000 large format copier, and further authorizes the City Manager to execute a 60-month lease agreement on behalf of the City of Lodi with Ray Morgan Company, of Stockton, California, in an amount not to exceed \$23,850.

Dated: March 7, 2007


I hereby certify that Resolution No. 2007-36 was passed and adopted by the City Council of the City of Lodi in a regular meeting held March 7, 2007 by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Katzakian, Mounce, and Mayor Johnson

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk